

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Develop Additional
Methods to Implement the California Renewables
Portfolio Standard Program

Rulemaking 06-05-027
(Filed February 16, 2006)

**SIERRA PACIFIC POWER COMPANY (U 903 E)
RENEWABLE PORTFOLIO STANDARD COMPLIANCE FILING**

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August 15, 2008

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Develop Additional
Methods to Implement the California Renewables
Portfolio Standard Program

Rulemaking 06-05-027
(Filed February 16, 2006)

**SIERRA PACIFIC POWER COMPANY (U 903 E)
RENEWABLE PORTFOLIO STANDARD COMPLIANCE FILING**

Pursuant to California Public Utilities Commission (“Commission”) Staff instructions contained in the Reporting and Compliance Worksheet Instructions of the attached spreadsheets, Commission Decision (“D.”) 08-05-029, *Decision on Participation of Small and Multi-Jurisdictional Utilities in the Renewables Portfolio Standard Program* (“SMJU RPS Decision”), as well as the Executive Director’s July 23, 2008 letter extending the August 2008 Compliance Report due date until August 15, 2008, Sierra Pacific Power Company (“Sierra”) hereby respectfully submits its August 15, 2008 Semi-Annual Compliance Report (“Compliance Report”).

This Compliance Report contains the following information:

- Two spreadsheets based upon a file provided by the Energy Division:
 - a Locked Spreadsheet (Attachment A);
 - an Unlocked Spreadsheet (Attachment B) based on the *Joint Motion of Sierra Pacific Power Company (U 903 E) and PacifiCorp (U 901-E) for Review of RPS Compliance Template Revisions Pursuant to March 12, 2007 ALJ Ruling* (“Joint Motion”) separately filed today in the instant proceeding.

The Locked Spreadsheet is based on the RPS Compliance Template provided by Energy Division. Sierra has populated the Locked Spreadsheet with relevant data regarding Sierra’s

California sales and RPS procurement. There is one entry in this document that should be pointed out. On the “earmarking” tab of the Locked Template, Sierra has earmarked 2007 deliveries from a 2006 contract which will be delivered in 2008. In light of the relatively recent adoption of the SMJU RPS Decision, Sierra believes that this earmarking is consistent with the intent of the flexible compliance program and the fact that had the rules been in place at the time of contract execution, Sierra could have earmarked with production to address the future procurement requirement. Moreover, because Sierra has already reported in Nevada its 2007 procurement positions from various resources, it is not possible to retroactively adjust the allocation of resource output to address a California procurement need for 2007 that arises due to the 2008 SMJU RPS Decision. Accordingly, Appendix A shows Sierra’s compliance with the RPS program with the earmarking as described above.

The Unlocked Spreadsheet found in Appendix B reflects two changes that Sierra believes are consistent with the language and intent of the SMJU RPS Decision. The details of these revisions are described in the Joint Motion filed today with PacifiCorp. The Joint Motion seeks to resolve the different interpretations of the SMJU RPS Decision and modify the Energy Division RPS Compliance Templates. The modifications in the Unlocked Spreadsheet do two things: (1) allow for banking of prior procurement during the 2004-2006 period by setting the APT for that period to zero (rather than “N/A” as in the Energy Division spreadsheet); and (2) make certain corrections to fully reflect the three-year deferral of the 2007 APT adopted in the MSJU RPS Decision. These modifications to the Energy Division Compliance Templates are required to ensure conformity with the Commission’s intent as articulated in the SMJU RPS Decision. Additional arguments and details concerning the proposed modifications to the Energy Division Compliance Templates are described in the Joint Motion. Sierra must reserve

the right to further modify its 2007 compliance materials based upon the Commission's determination on the Joint Motion. If the Joint Motion is not approved, Sierra would then need to review the allocation of RPS resources between California and Nevada to ensure that its ratepayers receive the greatest value for the procurement undertaken to date.

Sierra is fully committed to meeting the 20 percent goals for both the California RPS as well as the Nevada renewable energy portfolio standard, and the compliance materials submitted today exemplify that commitment. As described in the Joint Motion, Sierra's proposed modifications to the RPS Compliance Templates contained in the Unlocked Spreadsheet will ensure consistency with the SMJU RPS Decision.

Dated: August 15, 2008

Respectfully submitted,

/s/

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ATTACHMENT A:

SIERRA PACIFIC POWER COMPANY (U 903 E)
AUGUST, 2008 SEMI-ANNUAL COMPLIANCE REPORT PURSUANT TO THE
CALIFORNIA RENEWABLES PORTFOLIO STANDARD

(Locked Spreadsheet)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Continue
Implementation and Administration of California
Renewables Portfolio Standard Program.

Rulemaking 06-05-027
(Filed May 25, 2006)

**SIERRA PACIFIC POWER COMPANY (U 903 E) AUGUST
2008 SEMI-ANNUAL COMPLIANCE REPORT PURSUANT
TO THE CALIFORNIA RENEWABLES PORTFOLIO**

LOCKED VERSION

August 15, 2008

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CALIFORNIA'S RENEWABLES PORTFOLIO STANDARD

Reporting and Compliance Worksheet Instructions

1. California's RPS Program requires Investor Owned Utilities (IOU), Multi-Jurisdictional Utilities (MJU), and Electric Service Providers (ESP) file a minimum of two reports each year illustrating performance within the program.
 - > The March 1 report (with updates after the California Energy Commission (CEC) verifies procurement, as needed) is used by the Commission to determine compliance for the prior year(s). This report states historic performance in the RPS program, current year targets and procurement data, and forecasts targets and procurement data for at least three years (D.06-10-050, page 45, 49).
 - > The August 1 report states historic performance in the RPS program, current year targets and procurement data, and forecasts targets and procurement levels for each year forward through 2020 (D.06-10-050, page 45, 51). The August report may be used by the Commission to make a final determination of compliance for the prior year(s).
2. If any load serving entity (LSE) seeks confidentiality protection for any of the information required by the RPS Compliance Report, it shall comply with the substantive and procedural rules set forth in D.06-06-066, as modified by D.08-04-023, the Commission's decision in its Confidentiality proceeding, Rulemaking (R.) 05-06-040, and any subsequent decisions issued in the same or successor proceeding. A declaration for Confidentiality should include the identification of all redacted information by tab name and cell reference.
3. RPS compliance reports will be submitted to the Commission as specified below:
 - > Serve a public version on the service list in proceeding R.06-05-027
 - > File a confidential version with the Energy Division
4. Any questions regarding the completion and/or filing of this report can be directed to:
Sean Simon, Energy Division, California Public Utilities Commission: svn@cpuc.ca.gov, (415) 703-3791
5. Please make sure that the following information about the filing entity is included on each tab:
 - > Name of the LSE filing the Report
 - > Date the Report is being filed
6. Include a Title Page in accordance with the Commission's Rules of Practice and Procedure (Rule 1.6)
7. Complete the Officer Verification Form in the format provided (Rule 1.11)
8. Yellow cells throughout the spreadsheet indicate user supplied data by the LSE where and when applicable.
9. All data must be entered in MWh out to three decimal points to accurately account for retail sales, procurement and targets. The spreadsheet will display MWh throughout. Do not round any reporting data.
10. The spreadsheet included in this report has locked cells to ensure that targets, procurement and penalties are accurately calculated and reported from the data provided by the user. An unprotected version of the spreadsheet is also available by request.
11. Line #'s in the "Accounting" tab hyperlink to the "Calculations" tab, which provides additional information on the particular line item or section of the "Accounting" tab.

SUMMARY TAB

12. The "Summary" tab is linked to the "Accounting" tab and "Procurement Detail" tab, no data entry is required.
13. If the LSE determines that additional information is required in order to present a full and complete report, mark the box provided on the "Summary" tab. Any additional information should support the LSE's claim within the guidelines of the eight allowable reasons for noncompliance. Furthermore, please state anything else the filing LSE believes is necessary for a full and complete reporting to the Commission in order to allow an informed decision on compliance. This may include, for example, footnotes and other explanatory information as necessary and reasonable.

ACCOUNTING TAB

14. Begin by entering the relevant data for Lines 1-3, this will calculate the LSE's Baseline Procurement Amount. Enter actual and forecasted sales figures to generate Incremental Procurement Targets (IPTs) and Annual Procurement Targets (APTs).
15. In deficit years, the spreadsheet calculates what portion of the deficit is eligible for IPT deferral and Earmarking. The user records how they elect to treat the deficit(s) in the relevant sections, including using surplus procurement. The spreadsheet calculates the allowable IPT deferral and Earmarking amount through 2020.

EARMARKING DETAIL TAB

16. Enter information for contracts that are eligible for earmarking and are being used for flexible compliance purposes. Data

populates the earmarking section in the "Accounting" tab.

PROCUREMENT DETAIL TAB

17. Procurement Summary: *Total RPS Eligible Procurement* is differentiated by three categories, *existing and or signed contracts*, *short-listed/under negotiation/pending approval*, and *generic future contracts*. This section is populated by completing the Contract Detail section below. If the LSE has entered into contracts that are short-term or with existing facilities but cannot meet its Annual Minimum Contracting Requirement, then deliveries from those contracts may not be used for compliance in any year (D.07-05-028).

> *Annual Contracting Quota Requirement*: LSEs must enter into long-term contracts or contracts with new facilities for energy deliveries equivalent to at least 0.25% of that LSE's prior years' retail sales, if it intends to use deliveries from short-term contracts and/or existing facilities, for RPS compliance purposes.

- Contracts are differentiated by Contract term-length and type (row 15:16). All deliveries from "long-term and/or new" are automatically entered into "Cumulative Surplus Contracting Quota Bank" (row 19) and the user must input the MWh in row 18 that the LSE needs to comply with the Annual Contracting Quota Requirement, if necessary.

18. RPS Eligible Procurement by Resource Type: This report must state the amount procured or projected to be procured from each resource type (D.05-07-039, Appendix A, D.06-10-050, page 47-48). This information is reported in rows 24-37 in the "Procurement Detail" tab and populated by completing the "Contract Detail" section.

19. Contract Detail: For each contract, enter actual and forecasted delivery data throughout the contract term. Do not assume that an expiring contract will be renegotiated. In the first year a project is no longer under contract, remove the contract and/or MWh deliveries (in the case of pre-2002 contracts), and list the contract in the Expired Contracts section below.

> *Pre-2002 Contracts*: Input total annual deliveries by resource type.

> *2002-2008 years' Contracts*: List contracts by name, annual deliveries (MWh), project status, facility status and resource type.

> *2005-2008 years' Contracts*: In addition to the requirements above, Contracts from these years should be identified by term-length, short-term (less than 10 years) and long-term, as well as, by type, existing or new (defined below). For 2005 and 2006 contracts that were signed prior to 2007 can be identified as "n/a" for this purpose (refer to Column "X").

- *"Contract Length / Type"* (Column "X") Pursuant to D.07-05-028, starting in 2007, each RPS-obligated LSE must, in order to be able to count for any RPS compliance purpose energy deliveries from contracts of less than 10 years' duration ("short-term") with RPS-eligible facilities that commenced commercial operation prior to January 1, 2005 ("existing facilities"), in each calendar year enter into contracts with facilities of at least 10 years' duration ("long-term") and/or short-term contracts with facilities that commenced commercial operation on or after January 1, 2005 ("new facilities") for energy deliveries equivalent to at least 0.25% of that LSE's prior year's retail sales ("minimum quantity").

- *"Contract Volume"* (Column "Y") Input the total annual MWh as identified in the contract. Compliance with the minimum quota requirement is measured by contracted-for-energy, not deliveries.

> *"Generic Future Contracts"*: Input total forecasted annual deliveries by resource type

> *"Expired Contracts"*: User should identify expired contract by name and input annual deliveries (MWh) in the first year contract is no longer delivering for the LSE (per existing contract) and in every year thereafter. For example, if a contract with annual deliveries of 10,000 MWh expired 12/31/2007, user should enter 10,000 MWh in 2008 and in every year thereafter. If this same contract expired 6/30/2007, user should enter 5,000 MWh in 2007 and 10,000 in every year thereafter. If an expired or expiring contract is re-signed, remove contract information from "Expired Contracts" section and enter it under the appropriate contracting year, as you would for any other contract.

20. In the "Contract Status" column, "short-listed/under negotiation" is an option; use the short-listed option only for projects for which the IOU has a high level of confidence that a contract will be executed.
21. If any procurement data for a specific contract differs from what is entered into the CEC-RPS-Track form for that year, the specific cell should be highlighted and the discrepancy should be explained.

Spreadsheet user notes

> Protecting confidential data: Individual cells may be formatted black, which will serve to redact info when excel file is converted to pdf. Select cell - click on "fill color" icon - choose black. Note: Once converted to pdf, additional steps are necessary to ensure redacted data is not accessible.

> Adding and/or deleting rows. The "Earmarking Detail" tab and "Procurement Detail" tab allow user add to or delete rows. Within the desired section, highlight entire row(s) by selecting the excel row number(s) - right click and select "copy" - right click again and select "insert copied cells"

RPS Compliance Report: Summary

SPPC	2007
15-Aug-08	

RPS Summary Report	MWh	%
Prior Year Total Retail Sales	542,589	
Annual Procurement Target (APT)	75,142	13.8%
Total RPS Eligible Procurement	48,833	9.0%
Annual Procurement Surplus/(Deficit)	(26,309)	
Adjusted Procurement Percentage*		12.9%

* 'Adjusted Procurement Percentage' includes flexible compliance as proposed by the LSE, it is not necessarily used to determine compliance.

RPS Eligible Procurement	MWh	%
Biomass	5,147	10.5%
Digester Gas	0	0.0%
Biodiesel	0	0.0%
Landfill Gas	0	0.0%
Muni Solid Waste	0	0.0%
<i>Biopower Subtotal</i>	5,147	10.5%
Geothermal	38,040	77.9%
Small Hydro	3,776	7.7%
Conduit Hydro	0	0.0%
Solar PV	0	0.0%
Solar Thermal	1,870	3.8%
Wind	0	0.0%
Ocean/Tidal	0	0.0%
Fuel Cells	0	0.0%
Total RPS Eligible Procurement	48,833	100.0%

Flexible Compliance	MWh
IPT Deferral	21,209
Earmarking	5,100
Banked Procurement Applied	0
Total Flexible Compliance	26,309

Deficits and Penalties	2007
Preliminary Procurement (Deficit)	(26,309)
Adjusted Annual Procurement Deficit	0
Adjusted Deficit Deferred	0
Potential Penalty	\$0
Current Penalty (with flexible compliance)	\$0

** Potential Penalty is calculated based on 'Adjusted Annual Procurement Deficit' and may be deferred or waived if LSE provides allowable reasons and/or uses flexible compliance.

☒ Check box (x) if LSE is including supplemental materials necessary for a full and complete report (include attachments as needed).

- Any supplemental materials should state each reason asserted in support of deferral or waiver of penalty, consistent with allowable reasons for non-compliance listed below. (D.03-12-065, D.03-06-071, D.06-05-010 and Public Utilities Code Section 399.14(a)(2)(C)(ii).)

[Insufficient response to RFO, Contracts already executed will provide future deliveries sufficient to satisfy current year deficits, Inadequate public goods funds to cover above-market costs, Seller non-performance, Lack of effective competition, Deferral promotes ratepayer interests and RPS objectives, Showing of good cause, Insufficient transmission]

- If stating earmarked contracts as a reason for a temporary deferral, make sure contract names and planned energy deliveries match what is listed in Earmarking Detail and Procurement Detail tabs.

	Input Required
	Forecasted Data
	Actual Data

[illegible][illegible][illegible][illegible][illegible]

RPS Compliance Report: Earmarking Detail

	Input Required	SPPC
	Forecasted Data	15-Aug-08
	Actual Data	

[illegible]

Galena 3	2006	Contracted Generation				141,900											
		Withdrawal from Current Year	0	0	0	5,100	0	0	0	0	0	0	0	0	0	0	0
		Allocated to Year - 1	N/A	N/A	N/A	5,100											
		Allocated to Year - 2	N/A	N/A	N/A	N/A											
		Allocated to Year - 3	N/A	N/A	N/A	N/A	N/A										
Contract Name		Contracted Generation															
Eligible for [YEAR] deficit		Withdrawal from Current Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Allocated to Year - 1	N/A	N/A	N/A												
		Allocated to Year - 2	N/A	N/A	N/A	N/A											
		Allocated to Year - 3	N/A	N/A	N/A	N/A	N/A										
Contract Name		Contracted Generation															
Eligible for [YEAR] deficit		Withdrawal from Current Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Allocated to Year - 1	N/A	N/A	N/A												
		Allocated to Year - 2	N/A	N/A	N/A	N/A											
		Allocated to Year - 3	N/A	N/A	N/A	N/A	N/A										
Contract Name		Contracted Generation															
Eligible for [YEAR] deficit		Withdrawal from Current Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Allocated to Year - 1	N/A	N/A	N/A												
		Allocated to Year - 2	N/A	N/A	N/A	N/A											
		Allocated to Year - 3	N/A	N/A	N/A	N/A	N/A										
Contract Name		Contracted Generation															
Eligible for [YEAR] deficit		Withdrawal from Current Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Allocated to Year - 1	N/A	N/A	N/A												
		Allocated to Year - 2	N/A	N/A	N/A	N/A											
		Allocated to Year - 3	N/A	N/A	N/A	N/A	N/A										
Contract Name		Contracted Generation															
Eligible for [YEAR] deficit		Withdrawal from Current Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Allocated to Year - 1	N/A	N/A	N/A												
		Allocated to Year - 2	N/A	N/A	N/A	N/A											
		Allocated to Year - 3	N/A	N/A	N/A	N/A	N/A										
Contract Name		Contracted Generation															
Eligible for [YEAR] deficit		Withdrawal from Current Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Allocated to Year - 1	N/A	N/A	N/A												
		Allocated to Year - 2	N/A	N/A	N/A	N/A											
		Allocated to Year - 3	N/A	N/A	N/A	N/A	N/A										
Contract Name		Contracted Generation															
Eligible for [YEAR] deficit		Withdrawal from Current Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Allocated to Year - 1	N/A	N/A	N/A												
		Allocated to Year - 2	N/A	N/A	N/A	N/A											
		Allocated to Year - 3	N/A	N/A	N/A	N/A	N/A										

RPS Compliance Report: Procurement Detail

	Input Required
	Forecasted Data
	Actual Data

SPPC
15-Aug-08

[illegible]

RPS-Eligible Procurement By Resource Type	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Biomass	0	0	0	0	5,147	6,240	4,664	8,645	8,717	8,777	8,798	8,833	8,814	8,811	9,011	9,837	9,921	259
Digester Gas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Biogas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Landfill Gas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Municipal Solid Waste	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Biomass Subtotal	0	0	0	0	5,147	6,240	4,664	8,645	8,717	8,777	8,798	8,833	8,814	8,811	9,011	9,837	9,921	259
Geothermal	0	0	0	0	0	38,140	93,688	72,495	93,126	93,650	93,976	94,772	94,890	95,178	95,730	96,416	94,779	104,098
Solar Hydro	0	0	0	0	3,176	4,443	5,443	5,443	6,133	6,135	6,133	6,133	6,133	6,133	6,133	6,133	6,133	7,432
Conduit Hydro	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Solar PV	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Solar Thermal	0	0	0	0	1,870	2,924	2,984	3,455	3,484	3,508	3,516	3,530	3,563	3,562	3,562	3,562	3,563	4,356
Wind	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Renewable Total	0	0	0	0	9,117	100,704	80,982	100,668	102,743	103,343	103,621	104,402	104,988	105,491	106,225	107,011	105,442	114,813

Contract Detail		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Contract Status		Facility Status	Resource Type																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
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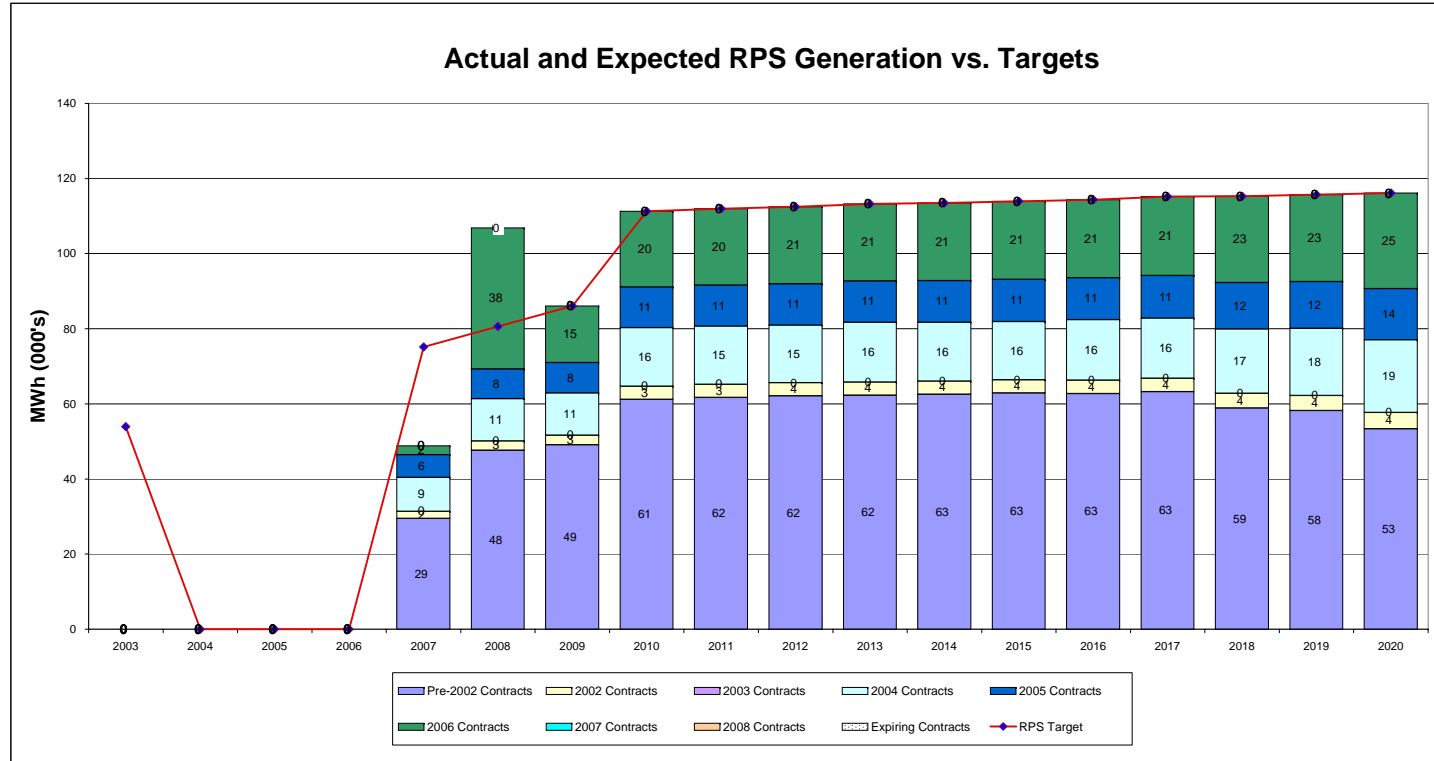
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RPS Compliance Report: Performance Chart

[MJU Name]

[Date]

RPS Procurement and Targets (MWh)	Actual MWh					Forecast MWh			Forecast MWh			Forecast MWh						
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total Retail Sales	521,912	527,784	528,618	542,589	544,410	550,777	556,544	559,919	562,182	566,383	567,333	569,627	571,899	575,911	576,321	578,530	580,773	583,052
Actual RPS Procurement %	0.0%	0.0%	0.0%	0.0%	9.0%	19.6%	15.6%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
IPT	N/A	5,219	5,278	5,286	5,426	5,444	5,508	25,215	675	453	840	190	459	454	802	82	442	449
APT % (Baseline for 2003)	N/A	N/A	N/A	N/A	13.8%	14.8%	15.6%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
APT as MWh Amount	N/A	N/A	N/A	N/A	75,142	80,586	86,094	111,309	111,984	112,436	113,277	113,467	113,925	114,380	115,182	115,264	115,706	116,155
Preliminary Surplus/(Deficit)	N/A	N/A	N/A	N/A	(26,309)	26,309	0	0	0	(0)	0	0	0	(0)	0	(0)	0	0



RPS Compliance Report: Calculations

RPS Baseline Inputs (MWh)		
Line#	Calculation	Notes
1	User supplied data	Consistent with D.07-03-046, the 2003 Initial Baseline Procurement Amount for the Multi-Jurisdictional investor owned utilities (MJUs) is calculated using the following equation:
1a	User supplied data	step 1) 2001 CA sales (MWh) / 2001 System sales (MWh) = 2001 System's CA sales (%)
2	User supplied data	step 2) 2001 System's CA sales (%) * 2001 System RPS-eligible procurement (MWh) = 2001 CA RPS-eligible procurement (MWh)
3	User supplied data	step 3) 2001 CA RPS-eligible procurement (MWh) / 2001 CA sales (MWh) = 2001 CA RPS-eligible procurement (%)
4	Baseline Calculation	step 4) (2001 CA RPS-eligible procurement (%) * 2003 CA sales) + (1% * 2001 CA sales) = Initial Baseline Procurement Amount (MWh)

RPS Procurement and Targets (MWh)		
Line#	Calculation	Notes
5	User supplied data	Annual Retail Sales
6	Data from "Procurement Detail" tab	In current and past years, this line should equal Total RPS Eligible Procurement in procurement detail tab.
7	Prior year Line 7 + Line 8	2007 APT = Baseline Amount + 2004 IPT + 2005 IPT + 2006 IPT + 2007 IPT (D.08-05-029, page 11)
8	1% of line 5 (Y-1)	
9	Line 6 - Line 7	
10	Line 7 / Line 5 (Y-1)	
11	Line 6 / Line 5 (Y-1)	In 2003, 2003 RPS procurement is divided by 2001 retail sales rather than 2002 retail sales.
12	(Line 6 + Line 17 + Line 25 + Line 30 + Line 34 + Line 36) / Line 5 (Y-1)	RPS procurement percentage after applying flexible compliance, assuming all allowable planned deliveries come online as planned.

Flexible Compliance - IPT Deferral		
Line#	Calculation	Notes
13	Up to 0.25% of Prior Year Retail Sales	In 2007, 100% of the IPT Deferral can be deferred for up to 3 years without explanation.
14-16	User supplied data	
17	Sum of Lines 14:16	Current year deficit carried forward. Warning if cell value is greater than Line 13.
18-20	Record of Lines 14:16	Deferred IPT obligations due in current year.
21	Sum of Lines 18-20	Total deferred IPT obligations due in current year
22-24	User supplied data	Past year IPT obligations retired with current year surplus procurement. Per accounting rules D. 06-10-050, Attachment A, page 9-10, current year deliveries may only be applied to past year IPT deficits after earmarked deliveries have been subtracted, and after any deliveries needed to meet current year APT have also been subtracted (D.03-06-0711, Conclusion of Law 25).
25	Sum of Lines 22-24	Total current year surplus applied to prior year IPT obligations due in current year

Flexible Compliance - Earmarking		
Line#	Calculation	Notes
26	Line 9 + Line 13 + Line 34	Portion of current year deficit greater than allowable IPT Deferral
27-29	Data from "Earmarking Detail" tab	User supplied data
30	Sum of Lines 27-29	
31-33	Data from "Earmarking Detail" tab	User supplied data. Current year deliveries may only be applied to past year deficits which have been deferred by earmarking, after current year APT has been met (D.03-06-071), Conclusion of Law 25).
34	Sum of Lines 31:33	Total current year surplus subtracted to meet prior years Earmarking obligations due in current year

Surplus Procurement Bank		
Line#	Calculation	Notes
35	Line 38 (Y-1)	
36	User supplied data	
37	Line 9+ Line 25 + Line 34	Current year surplus procurement less any prior year IPT obligations and/or Earmarking obligations
38	Sum of Lines 35:37	

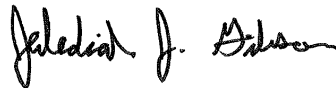
Adjusted Deficit		
Line#	Calculation	Notes
39	Line 9 + balance of IPT obligations after 3 years + balance of Earmarking obligations after 3 years	In any current year, the adjusted annual procurement deficit is the LSE's annual deficit less any deliveries used to meet IPT or Earmarking obligations for prior years deficits. Any portion of adjusted annual procurement deficit that remains after the following three years is subject to penalty.
40	Balance of IPT obligations after 3 years + balance of Earmarking obligations after 3	In any current year, the adjusted deficit temporarily excused is the sum of IPT deferral and Earmarked deliveries (line 17+ line 30). Any portion of line 40 remaining after 3 years will be reflected in line 39 and subject to penalty.
41	Line 39 * \$50.0	Per accounting rules, LSEs must list penalty based the size of on adjusted annual procurement deficit, even if allowable reasons are being given for why the penalty is not yet due and payable. Penalties are assessed at \$0.05/kWh deficit.
42	(Line 39 + 40) * \$50.0	LSE's have the opportunity to make up annual procurement deficits through existing flexible compliance rules. Accordingly, if an LSE has a deficit in year 1, and is able to fully exercise flexible compliance mechanisms, the penalty for year 1 compliance may not apply.

Attorney Verification (Rule 1.11)

I am an attorney for Sierra Pacific Power Company ("SPPC") the submitting entity. An officer of SPPC is absent from the County of Sacramento, California, where I have my office, and I make this verification for said submission on behalf of SPPC for that reason. The statements in the foregoing document are true of my own knowledge, except as to matters which are stated on information or belief, and as to those matter I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on August 15, 2008 at Sacramento, California.

A handwritten signature in black ink that reads "Jedediah J. Gibson". The signature is written in a cursive, flowing style.

Jedediah Gibson
Ellison, Schneider & Harris, LLP
2015 H Street
Sacramento, CA 95811
916-447-2166
jjg@eslawfirm.com

ATTACHMENT B:

SIERRA PACIFIC POWER COMPANY (U 903 E)
AUGUST, 2008 SEMI-ANNUAL COMPLIANCE REPORT PURSUANT TO THE
CALIFORNIA RENEWABLES PORTFOLIO STANDARD

(Unlocked Spreadsheet Based on the Joint Motion)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Continue
Implementation and Administration of California
Renewables Portfolio Standard Program.

Rulemaking 06-05-027
(Filed May 25, 2006)

**SIERRA PACIFIC POWER COMPANY (U 903 E)
AUGUST 2008 SEMI-ANNUAL COMPLIANCE REPORT
PURSUANT TO THE CALIFORNIA RENEWABLES**

**UNLOCKED VERSION
REFLECTING CHANGES REQUESTED
IN JOINT MOTION**

August 15, 2008

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CALIFORNIA'S RENEWABLES PORTFOLIO STANDARD

Reporting and Compliance Worksheet Instructions

1. California's RPS Program requires Investor Owned Utilities (IOU), Multi-Jurisdictional Utilities (MJU), and Electric Service Providers (ESP) file a minimum of two reports each year illustrating performance within the program.
 - > The March 1 report (with updates after the California Energy Commission (CEC) verifies procurement, as needed) is used by the Commission to determine compliance for the prior year(s). This report states historic performance in the RPS program, current year targets and procurement data, and forecasts targets and procurement data for at least three years (D.06-10-050, page 45, 49).
 - > The August 1 report states historic performance in the RPS program, current year targets and procurement data, and forecasts targets and procurement levels for each year forward through 2020 (D.06-10-050, page 45, 51). The August report may be used by the Commission to make a final determination of compliance for the prior year(s).
2. If any load serving entity (LSE) seeks confidentiality protection for any of the information required by the RPS Compliance Report, it shall comply with the substantive and procedural rules set forth in D.06-06-066, as modified by D.08-04-023, the Commission's decision in its Confidentiality proceeding, Rulemaking (R.) 05-06-040, and any subsequent decisions issued in the same or successor proceeding. A declaration for Confidentiality should include the identification of all redacted information by tab name and cell reference.
3. RPS compliance reports will be submitted to the Commission as specified below:
 - > Serve a public version on the service list in proceeding R.06-05-027
 - > File a confidential version with the Energy Division
4. Any questions regarding the completion and/or filing of this report can be directed to:
Sean Simon, Energy Division, California Public Utilities Commission: svn@cpuc.ca.gov, (415) 703-3791
5. Please make sure that the following information about the filing entity is included on each tab:
 - > Name of the LSE filing the Report
 - > Date the Report is being filed
6. Include a Title Page in accordance with the Commission's Rules of Practice and Procedure (Rule 1.6)
7. Complete the Officer Verification Form in the format provided (Rule 1.11)
8. Yellow cells throughout the spreadsheet indicate user supplied data by the LSE where and when applicable.
9. All data must be entered in MWh out to three decimal points to accurately account for retail sales, procurement and targets. The spreadsheet will display MWh throughout. Do not round any reporting data.
10. The spreadsheet included in this report has locked cells to ensure that targets, procurement and penalties are accurately calculated and reported from the data provided by the user. An unprotected version of the spreadsheet is also available by request.
11. Line #'s in the "Accounting" tab hyperlink to the "Calculations" tab, which provides additional information on the particular line item or section of the "Accounting" tab.

SUMMARY TAB

12. The "Summary" tab is linked to the "Accounting" tab and "Procurement Detail" tab, no data entry is required.
13. If the LSE determines that additional information is required in order to present a full and complete report, mark the box provided on the "Summary" tab. Any additional information should support the LSE's claim within the guidelines of the eight allowable reasons for noncompliance. Furthermore, please state anything else the filing LSE believes is necessary for a full and complete reporting to the Commission in order to allow an informed decision on compliance. This may include, for example, footnotes and other explanatory information as necessary and reasonable.

ACCOUNTING TAB

14. Begin by entering the relevant data for Lines 1-3, this will calculate the LSE's Baseline Procurement Amount. Enter actual and forecasted sales figures to generate Incremental Procurement Targets (IPTs) and Annual Procurement Targets (APTs).
15. In deficit years, the spreadsheet calculates what portion of the deficit is eligible for IPT deferral and Earmarking. The user records how they elect to treat the deficit(s) in the relevant sections, including using surplus procurement. The spreadsheet calculates the allowable IPT deferral and Earmarking amount through 2020.

EARMARKING DETAIL TAB

16. Enter information for contracts that are eligible for earmarking and are being used for flexible compliance purposes. Data

populates the earmarking section in the "Accounting" tab.

PROCUREMENT DETAIL TAB

17. Procurement Summary: *Total RPS Eligible Procurement* is differentiated by three categories, *existing and or signed contracts*, *short-listed/under negotiation/pending approval*, and *generic future contracts*. This section is populated by completing the Contract Detail section below. If the LSE has entered into contracts that are short-term or with existing facilities but cannot meet its Annual Minimum Contracting Requirement, then deliveries from those contracts may not be used for compliance in any year (D.07-05-028).

> *Annual Contracting Quota Requirement*: LSEs must enter into long-term contracts or contracts with new facilities for energy deliveries equivalent to at least 0.25% of that LSE's prior years' retail sales, if it intends to use deliveries from short-term contracts and/or existing facilities, for RPS compliance purposes.

- Contracts are differentiated by Contract term-length and type (row 15:16). All deliveries from "long-term and/or new" are automatically entered into "Cumulative Surplus Contracting Quota Bank" (row 19) and the user must input the MWh in row 18 that the LSE needs to comply with the Annual Contracting Quota Requirement, if necessary.

18. RPS Eligible Procurement by Resource Type: This report must state the amount procured or projected to be procured from each resource type (D.05-07-039, Appendix A, D.06-10-050, page 47-48). This information is reported in rows 24-37 in the "Procurement Detail" tab and populated by completing the "Contract Detail" section.

19. Contract Detail: For each contract, enter actual and forecasted delivery data throughout the contract term. Do not assume that an expiring contract will be renegotiated. In the first year a project is no longer under contract, remove the contract and/or MWh deliveries (in the case of pre-2002 contracts), and list the contract in the Expired Contracts section below.

> *Pre-2002 Contracts*: Input total annual deliveries by resource type.

> *2002-2008 years' Contracts*: List contracts by name, annual deliveries (MWh), project status, facility status and resource type.

> *2005-2008 years' Contracts*: In addition to the requirements above, Contracts from these years should be identified by term-length, short-term (less than 10 years) and long-term, as well as, by type, existing or new (defined below). For 2005 and 2006 contracts that were signed prior to 2007 can be identified as "n/a" for this purpose (refer to Column "X").

- *"Contract Length / Type"* (Column "X") Pursuant to D.07-05-028, starting in 2007, each RPS-obligated LSE must, in order to be able to count for any RPS compliance purpose energy deliveries from contracts of less than 10 years' duration ("short-term") with RPS-eligible facilities that commenced commercial operation prior to January 1, 2005 ("existing facilities"), in each calendar year enter into contracts with facilities of at least 10 years' duration ("long-term") and/or short-term contracts with facilities that commenced commercial operation on or after January 1, 2005 ("new facilities") for energy deliveries equivalent to at least 0.25% of that LSE's prior year's retail sales ("minimum quantity").

- *"Contract Volume"* (Column "Y") Input the total annual MWh as identified in the contract. Compliance with the minimum quota requirement is measured by contracted-for-energy, not deliveries.

> *"Generic Future Contracts"*: Input total forecasted annual deliveries by resource type

> *"Expired Contracts"*: User should identify expired contract by name and input annual deliveries (MWh) in the first year contract is no longer delivering for the LSE (per existing contract) and in every year thereafter. For example, if a contract with annual deliveries of 10,000 MWh expired 12/31/2007, user should enter 10,000 MWh in 2008 and in every year thereafter. If this same contract expired 6/30/2007, user should enter 5,000 MWh in 2007 and 10,000 in every year thereafter. If an expired or expiring contract is re-signed, remove contract information from "Expired Contracts" section and enter it under the appropriate contracting year, as you would for any other contract.

20. In the "Contract Status" column, "short-listed/under negotiation" is an option; use the short-listed option only for projects for which the IOU has a high level of confidence that a contract will be executed.
21. If any procurement data for a specific contract differs from what is entered into the CEC-RPS-Track form for that year, the specific cell should be highlighted and the discrepancy should be explained.

Spreadsheet user notes

> Protecting confidential data: Individual cells may be formatted black, which will serve to redact info when excel file is converted to pdf. Select cell - click on "fill color" icon - choose black. Note: Once converted to pdf, additional steps are necessary to ensure redacted data is not accessible.

> Adding and/or deleting rows. The "Earmarking Detail" tab and "Procurement Detail" tab allow user add to or delete rows. Within the desired section, highlight entire row(s) by selecting the excel row number(s) - right click and select "copy" - right click again and select "insert copied cells"

RPS Compliance Report: Summary

SPPC	2007
15-Aug-08	

RPS Summary Report	MWh	%
Prior Year Total Retail Sales	542,589	
Annual Procurement Target (APT)	75,142	13.8%
Total RPS Eligible Procurement	48,833	9.0%
Annual Procurement Surplus/(Deficit)	(26,309)	
Adjusted Procurement Percentage*		13.8%

* 'Adjusted Procurement Percentage' includes flexible compliance as proposed by the LSE, it is not necessarily used to determine compliance.

RPS Eligible Procurement	MWh	%
Biomass	5,147	10.5%
Digester Gas	0	0.0%
Biodiesel	0	0.0%
Landfill Gas	0	0.0%
Muni Solid Waste	0	0.0%
<i>Biopower Subtotal</i>	5,147	10.5%
Geothermal	38,040	77.9%
Small Hydro	3,776	7.7%
Conduit Hydro	0	0.0%
Solar PV	0	0.0%
Solar Thermal	1,870	3.8%
Wind	0	0.0%
Ocean/Tidal	0	0.0%
Fuel Cells	0	0.0%
Total RPS Eligible Procurement	48,833	100.0%

Flexible Compliance	MWh
IPT Deferral	0
Earmarking	0
Banked Procurement Applied	26,309
Total Flexible Compliance	26,309

Deficits and Penalties	2007
Preliminary Procurement (Deficit)	(26,309)
Adjusted Annual Procurement Deficit	0
Adjusted Deficit Deferred	0
Potential Penalty	\$0
Current Penalty (with flexible compliance)	\$0

** Potential Penalty is calculated based on 'Adjusted Annual Procurement Deficit' and may be deferred or waived if LSE provides allowable reasons and/or uses flexible compliance.

☐ Check box (x) if LSE is including supplemental materials necessary for a full and complete report (include attachments as needed).

- Any supplemental materials should state each reason asserted in support of deferral or waiver of penalty, consistent with allowable reasons for non-compliance listed below. (D.03-12-065, D.03-06-071, D.06-05-010 and Public Utilities Code Section 399.14(a)(2)(C)(ii).)

[Insufficient response to RFO, Contracts already executed will provide future deliveries sufficient to satisfy current year deficits, Inadequate public goods funds to cover above-market costs, Seller non-performance, Lack of effective competition, Deferral promotes ratepayer interests and RPS objectives, Showing of good cause, Insufficient transmission]

- If stating earmarked contracts as a reason for a temporary deferral, make sure contract names and planned energy deliveries match what is listed in Earmarking Detail and Procurement Detail tabs.

	Input Required
	Forecasted Data
	Actual Data

		Actual					Forecast			Forecast			Forecast						
Adjusted Deficit		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
39	Adjusted Annual Procurement Deficit	N/A	N/A	N/A	N/A	0	0	0	0	0	(0)	0	0	(0)	0	(0)	(0)	0	0
40	Adjusted Deficit Deferred	N/A	N/A	N/A	N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0
41	Potential Penalty	N/A	N/A	N/A	N/A	\$0													
42	Current Penalty (with flexible compliance)	N/A	N/A	N/A	N/A	\$0													

RPS Compliance Report: Earmarking Detail

	Input Required	SPPC
	Forecasted Data	Aug 15 2008
	Actual Data	

[illegible][illegible]

RPS Compliance Report: Procurement Detail

	Input Required	SPPC
	Forecasted Data	15-Aug-08
	Actual Data	

[illegible][illegible][illegible]

Minimum Contracting Requirement
Starting in 2007, RPS-obligated LSEs must, in each calendar year, enter into long-term contracts and/or short-term contracts with new facilities for energy deliveries equivalent to at least 0.25% of that LSE's prior year's retail sales ("minimum quantity") in order to be able to count energy deliveries from short-term contracts with existing RPS-eligible facilities, for any RPS compliance purpose. (D.07-05-028, R.06-02-012)

Contract Term Definitions

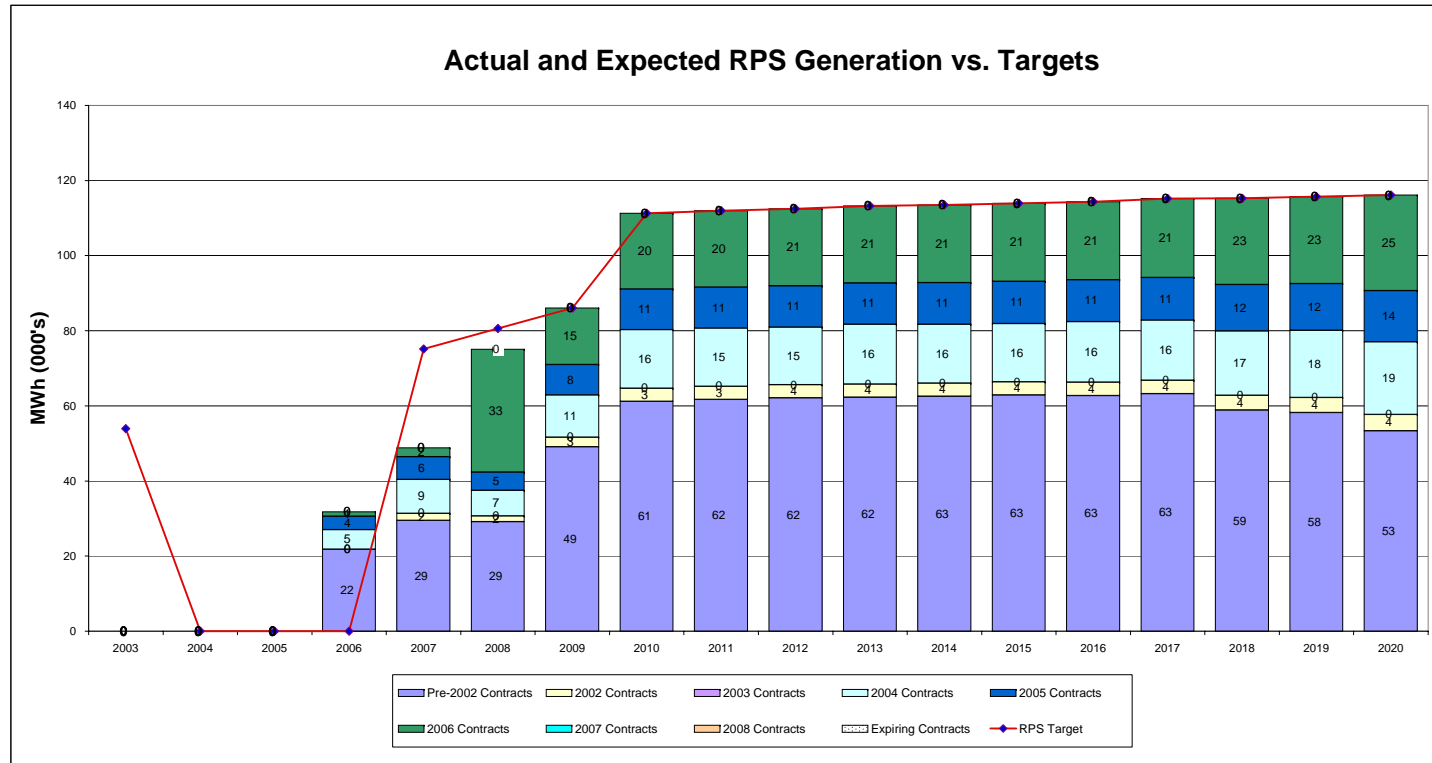
- Long-term contract: At least 10 years' duration
- Short-term contract: Less than 10 years' duration
- New Facility: Commenced commercial operation on or after January 1, 2005
- Existing Facility: Commenced commercial operation prior to January 1, 2005

[illegible]

RPS Compliance Report: Performance Chart

SPPC
15-Aug-08

RPS Procurement and Targets (MWh)	Actual MWh					Forecast MWh					Forecast MWh					Forecast MWh				
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		
Total Retail Sales	521,912	527,784	528,618	542,589	544,410	550,777	556,544	559,919	562,182	566,383	567,333	569,627	571,899	575,911	576,321	578,530	580,773	583,052		
Actual RPS Procurement %	0.0%		0.0%	6.0%	9.0%	13.8%	15.6%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%		
IPT	N/A	5,219	5,278	5,286	5,426	5,444	5,508	25,215	675	453	840	190	459	454	802	82	442	449		
APT % (Baseline for 2003)	N/A	0.0%	0.0%	0.0%	0.0%	13.8%	14.8%	15.6%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%		
APT as MWh Amount	N/A	N/A	N/A	N/A		75,142	80,586	86,094	111,309	111,984	112,436	113,277	113,467	113,925	114,380	115,182	115,264	116,155		
Preliminary Surplus/(Deficit)	N/A		0	0	31,815	(26,309)	(5,506)	0	0	0	(0)	0	0	(0)	0	(0)	0	0		



RPS Compliance Report: Calculations

RPS Baseline Inputs (MWh)		
Line#	Calculation	Notes
1	User supplied data	Consistent with D.07-03-046, the 2003 Initial Baseline Procurement Amount for the Multi-Jurisdictional investor owned utilities (MJUs) is calculated using the following equation:
1a	User supplied data	step 1) 2001 CA sales (MWh) / 2001 System sales (MWh) = 2001 System's CA sales (%)
2	User supplied data	step 2) 2001 System's CA sales (%) * 2001 System RPS-eligible procurement (MWh) = 2001 CA RPS-eligible procurement (MWh)
3	User supplied data	step 3) 2001 CA RPS-eligible procurement (MWh) / 2001 CA sales (MWh) = 2001 CA RPS-eligible procurement (%)
4	Baseline Calculation	step 4) (2001 CA RPS-eligible procurement (%) * 2003 CA sales) + (1% * 2001 CA sales) = Initial Baseline Procurement Amount (MWh)

RPS Procurement and Targets (MWh)		
Line#	Calculation	Notes
5	User supplied data	Annual Retail Sales
6	Data from "Procurement Detail" tab	In current and past years, this line should equal Total RPS Eligible Procurement in procurement detail tab.
7	Prior year Line 7 + Line 8	2007 APT = Baseline Amount + 2004 IPT + 2005 IPT + 2006 IPT + 2007 IPT (D.08-05-029, page 11)
8	1% of line 5 (Y-1)	
9	Line 6 - Line 7	
10	Line 7 / Line 5 (Y-1)	
11	Line 6 / Line 5 (Y-1)	In 2003, 2003 RPS procurement is divided by 2001 retail sales rather than 2002 retail sales.
12	(Line 6 + Line 17 + Line 25 + Line 30 + Line 34 + Line 36) / Line 5 (Y-1)	RPS procurement percentage after applying flexible compliance, assuming all allowable planned deliveries come online as planned.

Flexible Compliance - IPT Deferral		
Line#	Calculation	Notes
13	Up to 0.25% of Prior Year Retail Sales	In 2007, 100% of the IPT Deferral can be deferred for up to 3 years without explanation.
14-16	User supplied data	
17	Sum of Lines 14:16	Current year deficit carried forward. Warning if cell value is greater than Line 13.
18-20	Record of Lines 14:16	Deferred IPT obligations due in current year.
21	Sum of Lines 18-20	Total deferred IPT obligations due in current year
22-24	User supplied data	Past year IPT obligations retired with current year surplus procurement. Per accounting rules D. 06-10-050, Attachment A, page 9-10, current year deliveries may only be applied to past year IPT deficits after earmarked deliveries have been subtracted, and after any deliveries needed to meet current year APT have also been subtracted (D.03-06-0711, Conclusion of Law 25).
25	Sum of Lines 22-24	Total current year surplus applied to prior year IPT obligations due in current year

Flexible Compliance - Earmarking		
Line#	Calculation	Notes
26	Line 9 + Line 13 + Line 34	Portion of current year deficit greater than allowable IPT Deferral
27-29	Data from "Earmarking Detail" tab	User supplied data
30	Sum of Lines 27-29	
31-33	Data from "Earmarking Detail" tab	User supplied data. Current year deliveries may only be applied to past year deficits which have been deferred by earmarking, after current year APT has been met (D.03-06-071), Conclusion of Law 25).
34	Sum of Lines 31:33	Total current year surplus subtracted to meet prior years Earmarking obligations due in current year

Surplus Procurement Bank		
Line#	Calculation	Notes
35	Line 38 (Y-1)	
36	User supplied data	
37	Line 9+ Line 25 + Line 34	Current year surplus procurement less any prior year IPT obligations and/or Earmarking obligations
38	Sum of Lines 35:37	

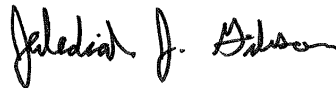
Adjusted Deficit		
Line#	Calculation	Notes
39	Line 9 + balance of IPT obligations after 3 years + balance of Earmarking obligations after 3 years	In any current year, the adjusted annual procurement deficit is the LSE's annual deficit less any deliveries used to meet IPT or Earmarking obligations for prior years deficits. Any portion of adjusted annual procurement deficit that remains after the following three years is subject to penalty.
40	Balance of IPT obligations after 3 years + balance of Earmarking obligations after 3	In any current year, the adjusted deficit temporarily excused is the sum of IPT deferral and Earmarked deliveries (line 17+ line 30). Any portion of line 40 remaining after 3 years will be reflected in line 39 and subject to penalty.
41	Line 39 * \$50.0	Per accounting rules, LSEs must list penalty based the size of on adjusted annual procurement deficit, even if allowable reasons are being given for why the penalty is not yet due and payable. Penalties are assessed at \$0.05/kWh deficit.
42	(Line 39 + 40) * \$50.0	LSE's have the opportunity to make up annual procurement deficits through existing flexible compliance rules. Accordingly, if an LSE has a deficit in year 1, and is able to fully exercise flexible compliance mechanisms, the penalty for year 1 compliance may not apply.

Attorney Verification (Rule 1.11)

I am an attorney for Sierra Pacific Power Company ("SPPC") the submitting entity. An officer of SPPC is absent from the County of Sacramento, California, where I have my office, and I make this verification for said submission on behalf of SPPC for that reason. The statements in the foregoing document are true of my own knowledge, except as to matters which are stated on information or belief, and as to those matter I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on August 15, 2008 at Sacramento, California.

A handwritten signature in black ink, reading "Jedediah J. Gibson". The signature is fluid and cursive, with the first name and middle initial being more prominent.

Jedediah Gibson
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